

Hasaga Gold Mines Limited

Twenty-Seventh Annual Report



FOR THE YEAR ENDED DECEMBER 31, 1966

HASAGA GOLD MINES LIMITED

OFFICERS

| | | |
|------------------------|-----------|-----------------------|
| ROBERT C. STANLEY, JR. | - - - - - | <i>President</i> |
| J. C. L. ALLEN | - - - - - | <i>Vice-President</i> |
| MISS B. A. ARGO | - - - - - | <i>Secretary</i> |
| D. M. LORIMER | - - - - - | <i>Comptroller</i> |

DIRECTORS

| | |
|------------------------|-----------------|
| JOHN C. L. ALLEN | MISS B. A. ARGO |
| P. A. ALLEN, P.Eng. | P. K. HANLEY |
| ROBERT C. STANLEY, JR. | |

Registrar and Transfer Agents

CROWN TRUST COMPANY, Toronto, Ontario.

Solicitors

ROBERTS, ARCHIBALD, SEAGRAM & COLE, Toronto, Ontario.

Auditors

GUNN, ROBERTS AND CO., Toronto, Ontario.

Head Office

Suite 400, 112 King Street West, Toronto, Ontario

HASAGA GOLD MINES LIMITED



Report of the Directors

TO THE SHAREHOLDERS:

The Directors submit the Balance Sheet and Financial Statements for the year ended December 31st, 1966, together with the Auditors' Report thereon.

No outside exploration was undertaken during the year due to the fact none of the property submissions reviewed merited outlays for further work.

The search for favourable mining situations will be continued in 1967.

Respectfully submitted,

On behalf of the Board,

ROBERT C. STANLEY, JR.,
President.

March 30, 1967.

HASAGA GOLD

(Incorporated under the laws of the Province of Ontario)

and its partly owned subsidiary
VAL D'OR MINERAL LTD.

Consolidated Balance Sheet

ASSETS

| CURRENT ASSETS | | 1965 for Comparison |
|---|-------------------|------------------------|
| Cash | \$ 2,348 | \$ 10,298 |
| Short term deposits | | 65,000 |
| Marketable securities at cost (quoted market value 1966 \$33,300; 1965 \$137,100) | 28,663 | 108,014 |
| Accounts receivable | | 1,593 |
| Receivable for securities sold | 5,040 | |
| Income tax refund claim | 73,403 | |
| | <u>109,454</u> | <u>184,905</u> |
| SHARES IN SUBSIDIARY COMPANY (note 1) at cost | 50,000 | 50,000 |
| SHARES IN ASSOCIATED COMPANIES | | |
| Listed at cost less allowances for decline in value of \$215,000 in each year (quoted market value 1966 \$375,800; 1965 \$405,500) | 458,960 | 455,390 |
| Other at cost less allowance for decline in value of \$240,000 in each year | 162,187 | 162,188 |
| | <u>621,147</u> | <u>617,578</u> |
| OTHER ASSETS AND DEFERRED CHARGES | | |
| Mining properties at nominal value | 1 | 1 |
| Cost of mining claims in Bourlamaque Township, Quebec, held under development licenses and exploration expenditures thereon, less amounts written off | 4,080 | 7,827 |
| Exploration expenditures in 1960 and 1961 in Lake St. Joseph area, Ontario | 10,312 | 10,312 |
| | <u>14,393</u> | <u>18,140</u> |
| | <u>\$ 794,994</u> | <u>\$ 870,623</u> |

Approved on behalf of the Board:

R. C. STANLEY, JR., Director.

J. C. L. ALLEN, Director.

AUDITORS' REPORT TO SHAREHOLDERS

We have examined the consolidated balance sheet of Hasaga Gold Mines Limited as at December 31, 1966 and the consolidated statements of income and retained earnings, and have made a general review of the accounting procedures and such tests of accounting records and other data as we considered necessary.

In our opinion the aforementioned consolidated financial statements present fairly the financial position, operations and the source and application of their funds for the year then ended, in accordance with the accounting principles generally accepted in Canada at the end of the preceding year.

Toronto, Canada
March 3, 1967

MINES LIMITED

(Incorporated under the laws of Ontario)

and its wholly owned subsidiary company

VAL D'OR MINERAL HOLDINGS, LIMITED

Balance Sheet — December 31, 1966

LIABILITIES

CURRENT LIABILITIES

| | | |
|--|----------|----------|
| Accounts payable and accrued liabilities | \$ 5,506 | \$ 2,569 |
| Income taxes payable | | 78,000 |

| | |
|-------|--------|
| 5,506 | 80,569 |
|-------|--------|

| | | |
|---|--------|--------|
| MINORITY INTEREST in consolidated subsidiary company (14.43%) | 87,845 | 91,857 |
|---|--------|--------|

SHAREHOLDERS' EQUITY

Capital stock

Authorized — 5,000,000 shares of \$1 each

| | | |
|---------------------------------|-----------|-----------|
| Issued — 3,000,000 shares | 3,000,000 | 3,000,000 |
|---------------------------------|-----------|-----------|

| | | |
|------------------------------------|-----------|-----------|
| Less discount on shares, net | 2,398,921 | 2,398,921 |
|------------------------------------|-----------|-----------|

| | |
|---------|---------|
| 601,079 | 601,079 |
|---------|---------|

| | | |
|-------------------------|---------|--------|
| Retained earnings | 100,564 | 97,118 |
|-------------------------|---------|--------|

| | |
|---------|---------|
| 701,643 | 698,197 |
|---------|---------|

| | |
|------------|------------|
| \$ 794,994 | \$ 870,623 |
|------------|------------|

TO THE SHAREHOLDERS

and its partly owned subsidiary company, Val D'Or Mineral Holdings, Limited, as at source and application of funds for the year then ended. Our examination included a supporting evidence as we considered necessary in the circumstances.

the financial position of the companies as at December 31, 1966 and the results of their auditors' opinion with generally accepted accounting principles applied on a basis consistent with that

GUNN, ROBERTS AND CO.
Chartered Accountants.

HASAGA GOLD MINES LIMITED

Consolidated Statement of Income and Retained Earnings

YEAR ENDED DECEMBER 31, 1966

| REVENUE | | 1965 for Comparison |
|---|-------------------|------------------------|
| (Loss) gain on investments sold | \$ (61,470) | \$ 230,945 |
| Dividend from subsidiary company | | 10,000 |
| Income from other investments | 2,195 | 5,963 |
| Sundry | (29) | 78 |
| | <u>(59,304)</u> | <u>246,986</u> |
| EXPENSES | | |
| Administrative and corporate expenses | | |
| Management, engineering, accounting and secretarial services | 3,600 | 3,600 |
| Share transfer expenses, etc. | 1,301 | 1,432 |
| Legal and audit | 1,159 | 775 |
| Annual meetings and reports | 1,073 | 1,158 |
| Capital and place of business taxes | 93 | 105 |
| Mining licenses, rentals and taxes | 847 | 615 |
| Sundry | 134 | 156 |
| | <u>8,207</u> | <u>7,841</u> |
| Interest expense | 1,644 | |
| Outside exploration | (938) | 938 |
| | <u>8,913</u> | <u>8,779</u> |
| (Loss) income before income taxes | (68,217) | 238,207 |
| Income taxes — 1965 | | 78,000 |
| Portion of 1965 taxes recoverable due to loss in 1966 | 73,000 | |
| | <u>4,783</u> | <u>160,207</u> |
| Portion of income of subsidiary company applicable to minority interest | 1,337 | 28,845 |
| Net income for the year (note 2) | 3,446 | 131,362 |
| Retained earnings at beginning of year | 97,118 | 5,556 |
| | <u>100,564</u> | <u>136,918</u> |
| Additional appropriation for allowance in decline in value of shares in other companies less \$7,200 minority interest therein | | 39,800 |
| Retained earnings at end of year | <u>\$ 100,564</u> | <u>\$ 97,118</u> |

HASAGA GOLD MINES LIMITED

Consolidated Statement of Source and Application of Funds

YEAR ENDED DECEMBER 31, 1966

| SOURCE OF FUNDS | | 1965 for Comparison |
|---|-------------------|------------------------|
| Net income for the year | \$ 3,446 | |
| Proportion of income applicable to minority interest | 1,337 | |
| Loss on investments sold | 92,449 | |
| | 97,232 | |
| Sale of shares in associated companies | 205,607 | 507,604 |
| | <u>302,839</u> | <u>507,604</u> |
| APPLICATION OF FUNDS | | |
| Gain on investments sold | | 230,945 |
| Deduct net income for the year | | 131,362 |
| | | 99,583 |
| Less proportion of income applicable to minority interest | | 28,845 |
| | | 70,738 |
| Investment in associated companies | 301,625 | 502,554 |
| Acquisition of additional equity in subsidiary company | 1,602 | 3,459 |
| | <u>303,227</u> | <u>576,751</u> |
| Decrease in working capital | 388 | 69,147 |
| Working capital at beginning of year | 104,336 | 173,483 |
| Working capital at end of year | <u>\$ 103,948</u> | <u>\$ 104,336</u> |

Notes to Consolidated Financial Statements

DECEMBER 31, 1966

1. The accounts of the wholly owned subsidiary company, New Red Lake Hotel Company Limited, have not been included in the consolidated financial statements because its operations are dissimilar to those of the consolidated companies.

The net income of the subsidiary company for the year ended December 31, 1966 amounts to \$10,561 and the undistributed profits earned since acquisition of the shares and not taken into the accounts of the company amount to \$53,960.

The dividend of \$10,000 received from the subsidiary company in 1965 applied in part to earnings of prior years and in part to earnings of 1965 which amounted to \$3,233.

2. In computing taxable income, the consolidated subsidiary company claims unrealized losses on investments on the basis of the market value at each year-end. As a result of this procedure income taxes recoverable for 1966 have been increased by \$39,500. (Income taxes for 1965 were reduced by \$38,500.) There is a contingent liability for income taxes of a maximum amount of \$186,000 which will result should the market value of the investments increase up to the original cost.
3. For comparative purposes, certain 1965 items have been reclassified on the same basis as is used for statement presentation for 1966.

